

**Minutes of the
Tobacco Education and Research Oversight Committee (TEROC)**

Meeting on January 24, 2005
California Department of Health Services
Training Rooms B and C (First Floor)
1500 Capitol Avenue
Sacramento, CA 95814

MEMBERS PRESENT:

Bruce Allen, Lourdes Baézconde-Garbanati, Stella Aguinaga Bialous, Theresa Boschert, Alan Henderson, Gregory Franklin, Kirk Kleinschmidt, Deborah Sanchez, and Traci Verardo

MEMBERS ABSENT:

Ron Arias, Susanne Hildebrand-Zanki, Rod Lew, and Dorothy Rice

OTHERS IN ATTENDANCE:

Dileep G. Bal, Chief, Cancer Control Branch, Department of Health Services (DHS)
Kimberly Bankston Lee, African American Tobacco Education Network
Julie Bradley-Hart, Center For Tobacco Policy and Organizing
Kelli Bliss, Local Programs Unit (LPU), Tobacco Control Section (TCS), DHS
David Cowling, Chief, Data Analysis and Evaluation Unit (DAEU), TCS, DHS
Charles DiSogra, Director, Tobacco Related Disease Research Program, University of California
Edgar Ednacot, Asian Pacific Islander American Health Forum (APIAHF)
Tonia Hagaman, Chief, LPU, TCS, DHS
Colleen L. Haydon, California Youth Advocacy Network (CYAN)
Kimberle Homer, CYAN
Kathony Jerauld, DAEU, TCS, DHS
Dian Kiser, Bar and Restaurant Employees Against Tobacco Hazards, American Lung Association (ALA) of the East Bay
Paul Knepprath, ALA of California
John Lagomarsino, Safe and Healthy Kids Program Office (SHKPO), California Department of Education (CDE)
Carolyn Martin, Sacramento Lung Association, Resources and Education Supporting People Everywhere Controlling Tobacco
Jamie Morgan, American Heart Association
Ana Matosantos, California Health and Human Services Agency
Sharen Muraoka, American Cancer Society
Anissa Nachman, California Department of Finance (DOF)
Greg Oliva, Chief, Program Planning and Policy Development, TCS, DHS
Cathy Palmer, Chief, Administrative and Contract Support Unit, TCS, DHS
Kevin Reilly, Chief, Prevention Services, DHS
April Roeseler, Chief, LPU, DAEU, TCS, DHS
Meredith Rolfe, Administrator, SHKPO, CDE
Bill Ruppert, TCS, DHS
Robin Shimizu, Assistant Chief, TCS, DHS
Joseph Shinstock, DOF
Amy Wong, APIAHF

1. WELCOME, INTRODUCTIONS, AND OPENING COMMENTS

The Chairperson, Kirk Kleinschmidt, called the meeting to order at 10:10 a.m. Each of the Committee members introduced themselves. Members of the audience also introduced themselves and identified their affiliations.

2. APPROVAL OF MINUTES, REVIEW OF CORRESPONDENCE, AND ANNOUNCEMENTS

The minutes for the August 31, 2004, TEROC meeting were approved with one correction, deleting the organizational affiliation for member Traci Verardo.

The Chairperson stated that the letter to the Governor urging him to sign Senate Bill 1173 was sent, and the Governor did sign the bill.

The Chairperson reminded the Committee that TEROC had previously sent a letter to the University of California (U.C.), Berkeley, School of Public Health commending it for establishing a policy not to take money from the tobacco industry (TI) and that TEROC had sent a copy of the letter to the Regents of the U.C. He said that this sparked a reaction from the Regents and that there is now a major discussion in the U.C. system over whether to adopt a system-wide general policy of prohibiting the acceptance of TI money. He said reaction to the policy involves the issue of personal academic freedom. He noted that this is on the agenda for the February 2005 meeting of the U.C. Academic Senate. A member commented that other schools in the U.C. system have passed or attempted to pass such a prohibition and they were told they could not make such policies, that apparently such policies must be system-wide policies, that faculty have a voice in such matters, that the U.C. Academic Council sets policy over funding issues, and that the U.C. President has the final say. A number of constituency groups are having a conference call on January 25, 2005, and will decide whether to take action on this matter.

The Chairperson emphasized the importance of encouraging U.C. to not step back from its long association with tobacco control research and to adopt this policy. He stated that he would work with Stella Aguinaga Bialous and Kathony Jerauld to develop a TEROC letter to be sent to the U.C. President, Dr. George Blumenthal, and the Academic Senate to urge the adoption of a U.C. system-wide policy to prohibit the receipt of TI money.

3. ENVIRONMENTAL DEVELOPMENTS

The Chairperson commented on some recent relevant environmental developments:

- The Framework Convention on Tobacco Control (FCTC) will go into effect on February 27, 2005. A total of 168 countries have signed it and 51 countries have ratified it. It is significant that the United States (U.S.) did not ratify the treaty. In the Master Plan (MP), TEROC is committed to try to get the U.S. to ratify the FCTC.
- Of great significance and grave concern is the news regarding the Federal Trade Commission's data on TI marketing for the year 2002. The TI spent \$12.47 billion for advertising and promotion in 2002, the most recent year data is available. This represents a \$1.25 billion increase from the prior year (an 11.1 percent increase). This shows, first, that the TI is not only continuing its marketing but is expanding it, and secondly, the gap continues to widen in California tobacco use prevention and control

funding compared to TI spending to promote the deadly product. This comparison is illustrated on page eight of the document *Tobacco Control Section Update 2004* in this meeting's packet. This underscores the need for additional spending in tobacco control.

- The California Attorney General (AG), Bill Lockyer, continues to monitor the TI practices and to enforce the Master Settlement Agreement (MSA). In December 2004, there was a settlement with R.J. Reynolds (RJR) for \$11.4 million for violations related to marketing advertisements (ads) targeting youths. This settlement received considerable national media coverage. This again shows that the TI continues to not abide by its own settlement with the AGs. The AG has also settled with Safeway Stores, Rite Aid, Walgreens, and some gas stations regarding violations related to identification checks necessary to buy tobacco. TEROC will once again send a letter of commendation to the AG pointing out that this type of enforcement is an important part of a comprehensive tobacco control program.
- The Ninth Circuit Court of Appeals ruled two to one in favor of the state in the RJR suit against the Tobacco Control Section (TCS) media campaign. This is an important victory and it is being appealed. The Ninth Circuit Court of Appeals is waiting for the U.S. Supreme Court to review a similar case before proceeding.
- The U.S. Department of Justice lawsuit is still continuing. The government is still presenting its case and the TI will present later. It will be at least until April 2005 or later before we will see any court action.
- The American Lung Association (ALA) recently released a report card on the states in four tobacco control areas. California received "A"s for smoke-free policies and youth access, an "F" for spending, and a "C" for tobacco taxes.

4. REPORT FROM THE INDIAN GAMING CASINO TASK FORCE

Regarding the previously tabled issue of sending a letter to the Governor concerning smoke-free Indian gaming casinos, Ms. Theresa Boschert and Ms. Deborah Sanchez reported for the TEROC task force that there is a great amount of collaborative work going on with various interested parties; including the American Indian Tobacco Education Program (AITEP); Bar and Restaurant Employees Against Tobacco Hazards; Resources and Education Supporting People Everywhere Controlling Tobacco (RESPECT); the Local Lead Agencies (LLA); and the competitive grantees. AITEP has developed a guidebook to help communities approach this issue. A number of community meetings are scheduled to educate and involve people at the local level. The task force recommended encouraging this work to continue and expand in the field, and not send a letter to the Governor. They said there is a different Governor now, a different environment, and, after more work in the community takes place, they will make recommendations to the Committee. A Committee member thanked the task force and expressed support for the broader collaborative approach rather than a prescriptive approach.

5. PROGRAM REPORTS BY THE AGENCIES

(Each agency sends a written report to TEROC prior to the meeting and responds to questions at the meeting.)

a) University of California, Tobacco Related Disease Research Program Report

Tobacco Related Disease Research Program Report (TRDRP) stated that it has regularly reported to TEROC on how the work of TRDRP has implemented and supported the objectives in the MP. When the current group of applications is processed and decisions made by June 2005, TRDRP will again report on how these projects relate to the MP.

The incoming TRDRP Director, along with staff, has reviewed the priorities established in 2004 when resources were reduced to \$14 million per year. To maximize the use of declining funds, the TRDRP Scientific Advisory Committee examined the research priorities and award mechanisms in September and January, and will do so again in March to make recommendations at that time. It now appears best to hold the current priorities for the current cycle and perhaps the next cycle. The recently received applications provide another data point for consideration in March. Some of the current priority areas may have different levels of support in the future.

TRDRP announced that:

- One hundred ninety-four applications were received for the 14th grant cycle-eight more than last year. The pay line is expected to be about the same as last cycle, that is, one in four being funded.
- Two applications were received in response to the collaborative \$300,000 Request for Applications (RFA) with California Department of Education (CDE) for an evaluation of an in-school cessation program currently used in some school districts.
- A compendium of funded projects was sent to TEROC members and to legislators in whose districts grants were awarded. Many of the grants were used to leverage additional funds and thereby advance the tobacco research agenda. Another compendium of funded projects will be produced in 2005.
- The TRDRP Conference (formerly called the Annual Investigators Meeting) will be held in Los Angeles on October 12-13, 2005, with a theme of "15 Years of Progress in the Fight Against Tobacco." The Tobacco Research Translation Institute meeting will be held in conjunction with the Conference.
- TRDRP's newsletter *Burning Issues* will now be produced three times a year. The current issue has an article on the role of tobacco in cerebrovascular disease and the need for more funding for research in this area.
- TRDRP is moving from a paper-based proposal submission system to an electronic on-line system. Currently U.C. is beginning this with the Acquired Immune Deficiency Syndrome research program and hope to have this in place for the tobacco research program in the next cycle.

Some of the comments by Committee members:

- Congratulations on having the Translation Institute.
- The Committee is not anxious to see major priority changes now, at least through one more cycle.

- In establishing priorities, it is very important to have program people at the table, to find out what the communities need and to get information disseminated.
- When reviewing research priorities and data points, TRDRP should look at the body of prior research funded and ask whether biomedical research has been more heavily funded and perhaps be reduced more to balance funding. TRDRP should examine how much the Proposition 99 (Prop 99) funded biomedical research has actually advanced science in these areas.
- It is important to coordinate research areas with TCS and CDE.

The Chairperson asked whether TCS and CDE have shared research wish lists with TRDRP. CDE responded that they had provided a number of priority areas for research and have worked directly with TRDRP in relation to the School Academic Research Award grants. TCS said that they have provided research priority lists to TRDRP and met with Dr. DiSogra in December 2005 to discuss research interests which included more legal and economic research.

b) California Department of Health Services, Tobacco Control Section Report

TCS reported that:

- Several procurements are being developed to provide training and technical assistance to agencies promoting smoke-free environments; to provide training and technical assistance to agencies working with youth and young adults on tobacco control issues; to fund multiple local tobacco control projects that address one or more of five specified areas; and to address tobacco-related disparities among priority populations in the state.
- TCS just completed the review process of the proposals for the evaluation of the In-School Tobacco Use Prevention and Education (TUPE) program and awarded the contract to Research Triangle Institute.
- TCS will hold its 2005 Project Directors' Meeting (PDM) April 20-21, 2005, in Sacramento. The attendees will include representatives from all TCS-funded projects. There will be opportunities for attendees to make information and education visits to members of the Legislature to educate policy makers about the health and economic consequences of tobacco use and the challenges facing tobacco control programs.
- TCS received the reports from all five epidemiological studies on specific priority populations, now undergoing internal review. TCS will hold a summit on these studies in September 2005 to release data, to discuss implications for researchers, programs, policy makers, and to initiate translations of the study findings for community program and media use.
- The expansion of the Helpline cessation outreach and promotion to persons with diabetes and service providers to persons with diabetes is progressing under the federal Centers for Disease Control and Prevention (CDC) grant.
- The Helpline is collaborating with the First Five California, the Women, Infants, and Children Program (WIC), and the March of Dimes' Prematurity Awareness Campaign to help raise awareness of the risks associated with tobacco use during pregnancy, the risk of premature births due to smoking during pregnancy, and the risks associated with secondhand smoke (SHS) exposure to young children. The Helpline is coordinating the Pledge program that is being conducted through the local WIC agencies statewide.

- TCS conducted a literature search for cessation materials related to the prison setting for the California Department of Corrections. As required by Assembly Bill (AB) 384, prisons must be tobacco-free. The Helpline is working with Corrections to conduct outreach to employees for cessation services.

The Chairperson commented that the Committee wants the results of the epidemiological studies of the five priority populations to be released as soon as possible so that the data can be used to design interventions.

There were several questions regarding the Priority Populations RFA. TCS responded that they are pilot testing a new needs assessment for the Communities of Excellence (CX). It is an effort to build the capacity of the various high priority groups. The RFA includes a needs assessment and community planning component based on the CX. Applicants can be current grantees or new agencies, and there will be three-year grants using competitive grant funds. Grantees will be required to collaborate with the Statewide Priority Partnership projects and reflect that collaboration in their reports in the Online Tracking Information System reporting system.

Representatives from the African American Tobacco Education Partnership and the Asian Pacific Islander American Health Forum commented that, with the changes in the Networks and Partnerships and with reduced funding all around, community program involvement in statewide efforts is declining. A Committee member said that over time grants to the local level have shrunk to a very small number, and that the Priority Populations RFA will re-establish, increase, and strengthen the infrastructure at the local level in a much more targeted approach in coordination with the CX.

The Chairperson expressed concern over what has been happening in the Tobacco Industry Monitoring Evaluation (TIME) program and asked if TCS will continue to gather that useful information. TCS explained the many efforts to get quality and timely information from the University of Southern California contractor and the need to finally withdraw the grant award and seek a new provider. Data collection will be done by other organizations; the retail portion is now taken care of and the movie and sponsorship portions are almost ready. TCS said that the TIME data has been very helpful over time in countering the work of the TI, that other organizations, including TRDRP researchers, have used the data, and that the AG's Office has used the data in the enforcement of the MSA. The Chairperson said he wanted more information on this at the May 2005 TERO meeting.

Regarding the Media campaign, TCS reported that:

- To observe the 15-year anniversary of Prop 99 implementation and 10-year anniversary of smoke-free workplaces, TCS will hold a press conference on January 25, 2005, at the Winston Churchill Middle School in Sacramento. In addition to students from the school; the speakers will include the Director, Department of Health Services (DHS); the State Public Health Officer, DHS; the Secretary of the California Health and Human Services Agency (CHHSA); and the author of California's Smoke-free Workplaces Law. They will release the new youth smoking prevalence figures at the press conference.
- The ethnic ads (African American, Asian American, and Spanish language) were approved at the CHHSA level on November 1, 2004, and were immediately placed into the media buy rotation.

- TCS is testing many ads and will do focus groups in February in Los Angeles and Sacramento for potential ads on TI manipulation, SHS (the California Environmental Protection Agency study showing tobacco smoke is as toxic as asbestos), and cessation.
- TCS completed the procurement process for the anti-tobacco public relations campaign and selected the incumbent, Rogers and Associates, for the new contract beginning March 1, 2005.
- The RFA for the anti-tobacco-use advertising campaign (ad agency) will be released on January 26, 2005: the application review will be conducted in May 2005; and the tentative date for the beginning of the new contract is July 1, 2005. The contract amount is for \$15 million per year for five years. There is a transition plan for a smooth crossover from the current ad agency to a new one.

The Chairperson asked if the ad review process is moving smoothly and rapidly. TCS responded that the new process under the current Administration requires greater review of the media strategies, the results of the focus groups, and so forth, at the Secretary of the CHHSA level, and this does slow things down. TCS added that the positive benefit of this level of review is the demonstrated interest, involvement, and support of Secretary Belshé. The Chairperson said he is happy for Secretary Belshé's support, but the Committee wants to see a steady continual flow of new, innovative ads keeping the message before the public to counter the ever-expanding promotions of the TI, especially its efforts to reach youth.

c) California Department of Education, Safe and Healthy Kids Program Office Report

CDE reported that:

- They have continued to meet with TCS to share information and explore areas of collaboration. CDE staff will be making a presentation to TCS staff in February 2005 on the TUPE program and will be providing an overview of their efforts towards youth tobacco cessation at the April 2005 TCS PDM.
- The teen cessation program "I Decide" has shown some positive results, but there was not enough information for evidenced-based evaluation. Therefore, CDE was happy to collaborate with TRDRP on an RFA for a scientific evaluation of the youth cessation program. Two proposals were received for this evaluation.
- In October 2004, CDE conducted a statewide Web-cast on positive youth development. The 12 regional grantees were involved and participants included administrators, teachers, community members, and students. The purpose was to advance the involvement of students in community and school decision making. CDE was happy with the large number of participants.
- The Philip Morris tobacco company has developed a booklet for parents on how to keep kids from starting to smoke and has provided these booklets to the school districts. CDE and the County Offices of Education have reviewed content of these materials and recognized that it is deceptively similar to scientific curricula they would use. However, CDE will be sending out a letter urging the districts not to use these materials, and will probably get a lot of comments back. The letter will suggest alternative materials to provide information to parents. CDE asked that TERO place in the next MP a strong statement against accepting TI money, directly or

indirectly, and why. A Committee member said that at first glance the TI materials look beautiful but they leave out important information such as the health effects of tobacco use, that the federal CDC is rethinking their endorsement of the Life Skills Training, and that a U.C., San Francisco paper on the subject will be out soon.

- CDE just completed its bi-annual meeting with the county TUPE coordinators and provided each with a compact disk copy of the information on what is going on in their respective counties so the coordinators can more effectively monitor the county tobacco education and prevention activities.
- The competitive grant applications for grades 6-8 and 9-12 have been received and will be read and scored in March 2005.
- Work continues with TCS to resolve the issue of two in-school tobacco surveys. CDE will no longer require the administration of its survey tobacco module beginning in 2006.
- The Superintendent of Public Instruction has not yet decided whether CDE would sponsor legislation to change the TUPE funding mechanisms to local education agencies. CDE has a new director of its legislative branch who will begin on February 1, 2005, and by the middle of February he should have selected the five top legislative proposals. So the proposed TUPE change legislation is temporarily on hold. The Chairperson asked what TEROC could do to help. CDE said another letter of support from TEROC could help.
- Ms. Judy Martinez is the new CDE consultant with the Migrant Indian and International Education and Indian Education Office. The relevant funding has been moved from the Safe and Healthy Kids Program Office into that office.

CDE provided a presentation on the process and results of the 2003-04 Coordinated Compliance Review (see copy of slides enclosed). They said every four years all Local Educational Agencies (LEA) are required to conduct a self-review of all categorical programs based on a predetermined regional schedule. Included among the categorical programs are the federal Safe and Drug-Free Schools and Communities program and the TUPE program. The review is required of the County Offices of Education, school district central administration offices, and individual school sites. The findings of the review and resolution to any non-compliance issues are submitted to CDE for review. CDE then uses this and additional data as a means of selecting LEAs for a three- to ten-day on-site validation review the year following the self-review.

In 2002-03, 268 LEAs conducted self-reviews, and in 2003-04, CDE conducted 73 validation reviews of these LEAs. Of the 876 items reviewed in the 73 LEAs in 2003-04:

- 87 items were determined to be non-compliant,
- 42 of those items were resolved in 45 days,
- 24 items were still awaiting clearance under a Compliance Agreement, and
- 21 non-compliant items had not been addressed by the LEAs as of July 1, 2004.

A significant finding was that 11 of the 73 LEAs CDE reviewed on-site were non-compliant in some way with the Tobacco-Free Policy requirement. Plans for

Coordinated Compliance Reviews for the period January 14, 2005 through June 16, 2005, call for review of 16 counties and 62 school districts.

6. CESSATION POLICY

The Chairperson described the history of TEROC's discussions on cessation and he opened the subject up for discussion. Ms. Carolyn Martin, of the ALA and the project RESPECT, provided a handout (see enclosed) and informed the group that the California Tobacco Control Alliance is continuing the work of the Next Generation Tobacco Control Alliance with a small Robert Wood Johnson grant targeting all private health plans to make cessation services a health benefit. They have drafted legislation to require cessation coverage by health insurance carriers in California, and are now seeking a sponsor and author. She said TRDRP has funded Dr. Helen Halpin of U.C., Berkeley to conduct a cost benefit analysis of cessation services. A Committee member stated that the federal Centers for Medicare and Medicaid Services (CMS) decided to provide limited cessation treatment for persons under Medicare starting next year. This would cover behavioral counseling and pharmacotherapy only for beneficiaries with a diagnosis of a tobacco-related disease. The Chairperson asked TCS to do an analysis of the CMS provision and prepare a letter of support on behalf of TEROC, if TCS considers it worthwhile to send.

A major issue in the Committee's cessation discussion was whether it would make a policy recommendation to eliminate the ten percent ceiling on LLA Prop 99 funding for direct cessation. Those in favor of the recommendation argued that:

- LLAs should be allowed the flexibility to decide how much to spend on direct cessation;
- The restriction may have had a good purpose at one time but it is time to reconsider; and
- The ten percent restriction gives the message that cessation is less important.

Those against argued that:

- There may be need for more direct cessation services but they should not come from Prop 99 funding;
- TEROC should actively support the expansion of cessation services through linkages and advocacy with other sources; and
- Actually needed are: a) increased dissemination of information to providers and tobacco users and b) increased utilization of the services.

Some of the additional statements by members on the subject were:

- The most important concern is that the smoking prevalence has been more or less flat for years in California, and critical questions are: a) how to drive that prevalence down and b) what role does cessation play in reducing the prevalence rate?
- Approximately 70 percent of smokers in California want to quit, and 60 percent tried to quit; this is a 25 percent increase in the last decade, but successful quit attempts have not increased. An examination of why quit attempts fail is needed.
- The LLA Project Directors' Association in their letter to TEROC recommended funding cessation policy work and not loosening the ten percent restriction on direct cessation services, which is current TCS policy.
- TEROC might have set up a false conflict in assuming or implying that the LLAs want to do more cessation and TCS will not let them, when actually the LLAs and TCS are in agreement on cessation policy.

CDE stated that approximately 15 percent of LEA funds are spent on cessation accessibility efforts. TCS said that the 2001-04 LLA plans showed 12 percent and the 2004-07 LLA plans showed 16 percent, funding allocation for cessation including cessation availability and school cessation.

TCS explained that counties and cities get MSA funds, and some have chosen to use those funds on cessation; some counties have a general community approach and others are more focused on certain groups in accordance with their needs assessment. TCS said that LLAs are required to have a comprehensive approach, and, following the CX assessment process, an LLA may find a gap in the availability of culturally sensitive cessation services and decide to work in the policy area with hospitals, clinics, and referrals. TCS is very concerned that the federal Administration level, including the Office of Smoking and Health, as well as with the TI, emphasizes cessation rather than social norm change.

One member said that, rather than make a recommendation today on cessation, the Committee members should review all the information they have on the subject in preparation for the March 2005 MP update meeting to see what is missing and in what way the cessation language can be improved. There was a motion and a second to adopt the recommendations on cessation in Ms. Verardo's memo dated July 15, 2004, pages two and three, but exclude the bullets that lift the funding restrictions. This was followed by another motion and second to table or defer the discussion on the first motion to the March 8, 2005 MP meeting. The latter motion passed on a five to four vote. The Chairperson said that this would be the first item on the agenda for the March 2005 meeting.

7. BUDGET UPDATE – DEPARTMENT OF FINANCE

Mr. Joseph Shinstock and Ms. Anissa Nachman from the Department of Finance (DOF) made a presentation on *Proposition 99 Budget Update – Governor's Budget 2005-06*. (see copy of slides and handouts enclosed).

DOF highlighted some items from the slides and materials.

- Revenue: The estimated Prop 99 revenue for 2004-05 is on target (\$318 million) with a \$1.7 million increase attributed to the Alternative Cigarette Tax Stamp. The estimate includes revenues of \$20 million related to AB 71. The 2004-05 Prop 10 backfill estimate is on target at \$16.4 million. The Governor's budget for 2005-06 estimates a \$9 million decline in Prop 99 revenues because of reduced tobacco consumption and because the 2004-05 revenues contained \$5.6 million in one-time funds. The 2005-06 estimate includes revenues of \$20 million related to AB 71, and there is no change yet in the Prop 10 backfill estimate from the Board of Equalization (BOE).
- Expenditures: The Access for Infants and Mothers program (AIM) will no longer be funded by Prop 99 and will be moved to the General Fund to maximize the use of federal matching funds. Prop 99 funding for the Medi-Cal – Recent Immigrants Program has been added (\$54.354 million for 2004-05 and \$32.793 million for 2005-06). There is an increase in funding from Prop 99 for the Breast Cancer Early Detection Program (\$12.834 million increase), and for the Department of Mental Health (DMH) (\$13.551 million increase). There is a \$1.2 million increase in the BOE Fee for 2005-06 related to the Alternative Cigarette Tax Stamp.

Questions from members:

- Is legislation required to move AIM to the General Fund? No, it is done through an appropriation.
- If there is an increase in revenue, why have the funds for the Research Account (RA) and Health Education Account (HEA) not increased? There was not an increase in revenue, rather there were funds freed up from AIM and used to offset increases to other health programs. When revenue decreases, this will be applied to other health programs as well. It is the DOF strategy to try to keep the RA and HEA programs stable at the same level and to avoid fluctuations.
- On the bottom of the charts, are the Reserve amounts contained in the Remaining Revenues figures? Yes. Currently there is not a five percent Reserve but DOF is working towards the five percent goal, using some of the increased or freed up funds.
- Is the BOE fee increase based on the increased revenue generated by the new tax stamp? No, the fee is not a percentage of the revenue; it is a workload fee determined by the amount of work required to administer the legislative mandate.
- Last year DMH was added into the Prop 99 expenditures and this year it is Recent Immigrants, how are these decisions made? The decisions are made by the Administration, in trying to manage declining revenues and to maximize federal funds, and there are statutory requirements.
- How do you explain the increase across years in the state administration amount related to the diversion of RA funds to the cancer registry? This reflects the increase in employee compensation costs associated with the cancer registry external contracts under the RA funds.

There was an expression of some passion by some Committee members that Prop 99 had been passed as an initiative, with the opposition of the Governor and Legislature at the time; and now in recent years the Prop 99 revenues are being taken by them and used for mental health and other programs unassociated with the purposes of Prop 99 at the same time when funds for programs like TRDRP are reduced by more than one-third. Reduced revenue because of decline in consumption is an understandable and acceptable challenge, but diversion is unacceptable. The ongoing concern was again expressed over the diversion of RA funds to the California Cancer Registry (CCR). Mr. Shinstock asked for copies of letters sent by TEROG to various government entities concerning the diversion of the RA funds. The Chairperson agreed to provide copies of the letters to Mr. Shinstock.

8. LEGISLATIVE UPDATE

Although Ms. Morgan of the American Heart Association was no longer at the meeting, she had provided in advance a handout concerning the five tobacco related bills that have been introduced (see copy enclosed). One bill acknowledged was AB 17 (Koretz), which would make it an infraction for a person to smoke a pipe, cigar, or cigarette on a state coastal beach.

9. MASTER PLAN PROCESS

The Chairperson opened the discussion on the MP development process. He said the meeting to work on the MP will be on March 8, 2005, in Sacramento, and the goal is not to write a new MP but to update and streamline the current one. He said there would be time given for public input at PDM in April 2005, and the Committee will explore the possibility of

getting input electronically. Some Committee members recommended that TEROC have a meeting in Southern California to get input from interested parties there. The TRDRP Conference in October 2005 may be a little late for input.

CDE said they could put the word out on their list-serve. TCS agreed to use Policy Advocacy Resource Tobacco Network Education Response System to seek input from the county coalitions and mentioned that CDE has been very successful in maximizing input via an Internet-based process. TCS said that, as TEROC considers changes in the MP, it would be good to keep in mind that over the 15 years there has always been a meeting of minds among the participants, TEROC, TRDRP, CDE, and TCS. TCS offered to provide the data necessary for the discussions on the MP and to ensure that members have the notes from the previous discussions on this MP update.

10. PUBLIC QUESTIONS AND COMMENTS

The Chairperson said that someone from one of the counties asked him how one could find out how much money is going to each county from the MSA. It was agreed that the AG's Office has this kind of information and the ALA of California (website has a county MSA chart).

Someone in the audience asked if the Committee had received a response to its inquiry to the Governor and legislative budget committees concerning the legality of allocating funds from the Prop 99 RA to the CCR. The Chairperson said that no response has been received and that he will look into the matter.

11. MEMBER DISCUSSION

The Committee members raised no issues for further discussion.

NEXT MEETING DATES:

March 8, 2005, 10 a.m. to 5 p.m., Sacramento, Master Plan Update Meeting
May 24, 2005, 10 a.m. to 5 p.m., Sacramento, Regular Meeting
September 15, 2005, 10 a.m. to 5 p.m., Sacramento, Regular Meeting

The meeting was adjourned at 4:45 p.m.

ACTION ITEMS:

1. TEROC to send a letter to AG, Bill Lockyer, commending him for the actions taken to enforce the MSA noting that this is an important part of a comprehensive tobacco control program.
2. TEROC to send a letter to the U.C. President, George Blumenthal, and to the U.C. Academic Senate urging them to adopt a U.C. system-wide prohibition against taking TI money.
3. TCS to provide information on the TIME project at the May 2005 TEROC meeting.
4. TEROC to send a letter to the Superintendent of Public Instruction in support of the proposed changes in the TUPE program and urge him to take steps to adopt the changes.
5. TCS to analyze the federal CMS provision related to the Medicare cessation treatment benefit, and prepare a letter of support for TEROC if a letter is warranted.

6. TEROC to provide to DOF copies of letters sent to various governmental entities concerning the diversion of RA funds to the CCR.
7. TEROC to follow up on the inquiry sent to the Governor and legislative budget committees regarding the diversion of RA funds.

ENCLOSURES

1. Copy of the CDE slides on the Coordinated Compliance Review.
2. Copy of the California Tobacco Control Alliance information sheet.
3. Copy of the DOF slides and handout *Proposition 99 Budget Update – Governor’s Budget 2005-06*.
4. Copy of the AHA handout on tobacco related legislative bills.